

# **ERSTE RESPONSIBLE STOCK EUROPE**

**Jointly owned fund pursuant to the InvFG**

Annual Report 2020/21

## Contents

General Information about the Investment Firm .....	3
Development of the Fund .....	4
Method of Calculating the Global Exposure.....	5
Asset Allocation .....	6
Comparative Overview .....	6
Disbursement/Payment .....	7
Income Statement and Changes in Fund Assets.....	8
Statement of Assets and Liabilities as of 28 February 2021 .....	11
Remuneration Policy.....	20
Audit Report* .....	22
Fund Rules.....	25

## General Information about the Investment Firm

<b>The company</b>	Erste Asset Management GmbH Am Belvedere 1, A-1100 Vienna Telephone: +43 05 0100-19777, fax: +43 05 0100-919777
<b>Registered capital</b>	EUR 2.50 million
<b>Shareholders</b>	Erste Group Bank AG (64.67%) Erste Bank der österreichischen Sparkassen AG (22.17%) Steiermärkische Bank und Sparkassen Aktiengesellschaft (3.30%) Tiroler Sparkasse Bankaktiengesellschaft Innsbruck (1.74%) DekaBank Deutsche Girozentrale, Frankfurt (1.65%) „Die Kärntner“ Trust-Vermögensverwaltungsgesellschaft m. b. H. & Co KG (1.65%) Salzburger Sparkasse Bank Aktiengesellschaft (1.65%) Sieben Tiroler Sparkassen Beteiligungsgesellschaft m. b. H. (1.65%) NÖ-Sparkassen Beteiligungsgesellschaft m. b. H. (0.76%) VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (0.76%)
<b>Supervisory Board</b>	Rudolf SAGMEISTER (Chairman) Thomas SCHAUFLER (Deputy Chairman) Harald GASSER Gerhard GRABNER Harald Frank GRUBER Oswald HUBER Radovan JELASITY Robert LASSHOFER Franz PRUCKNER Rupert RIEDER Gabriele SEMMELROCK-WERZER Reinhard WALT Gerald WEBER Appointed by the Works Council: Martin CECH Regina HABERHAUER Heinrich Hubert REINER Peter RIEDERER Nicole WEINHENGST Manfred ZOUREK
<b>Managing directors</b>	Heinz BEDNAR Winfried BUCHBAUER Peter KARL Thomas KRAUS (from 01.01.2021) Wolfgang TRAINDL (until 28.02.2021)
<b>Prokuristen (proxies)</b>	Achim ARNHOF (until 30.06.2020) Karl FREUDENSCHUSS Manfred LENTNER Günther MANDL Gerold PERMOSER Magdalena REISCHL Oliver RÖDER (from 06.07.2020)
<b>State commissioners</b>	Walter MEGNER (from 01.10.2020) Christoph SEEL Eva SCHRITTWIESER (until 30.06.2020)
<b>Auditor</b>	Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.
<b>Depository bank</b>	Erste Group Bank AG

## Dear Unit-holder,

We are pleased to present you the following annual report for the ERSTE RESPONSIBLE STOCK EUROPE jointly owned fund pursuant to the InvFG for the accounting year from 1 March 2020 to 28 February 2021.

Even as the COVID-19 pandemic spreads, we are not losing sight of our responsibility to manage the assets entrusted to our care in a manner that maintains our ability to act on the capital markets and that enables us to make the best possible allocation decisions.

Modern technology also allows us to meet these obligations in full via teleworking.

## Development of the Fund

ERSTE RESPONSIBLE STOCK EUROPE is an equity fund that invests according to ethical and socially responsible criteria. The exclusion criteria include atomic energy, child labour, weapons, and the manufacture of genetically manipulated seed.

### Market environment

The past financial year (1 March 2020 to 28 February 2021) began with a brief uptrend, after which prices fell substantially in the middle of March 2020 due to the worldwide spread of the coronavirus. The European equity market already made up for its losses in March at the beginning of June 2020, and then moved sideways until November 2020, after which it climbed further through to the end of the reporting period. The equity markets were driven primarily by the COVID-19 pandemic and its impacts on the global economy. Starting in China, COVID-19 spread rapidly and led to hard lockdowns in Europe. The central bank in Europe supported the weakened economies in their battle against unemployment with accommodative monetary policy.

Significant efforts by pharmaceutical and biotech companies led to the rapid development of COVID-19 vaccines to contain the pandemic, and these have been administered in Europe and around the world since the beginning of 2021. The EU and Great Britain came to an exit agreement at the last minute before the end of 2020 to avert a “no-deal” Brexit. USD depreciated versus EUR over the past 12 months. Yields in Europe have risen slightly since the beginning of 2021 after reaching record lows in 2020, but are still in negative territory. Given the economic crisis, this makes a key rate hike in the Eurozone unlikely in the foreseeable future. Oil prices closed the reporting season with an increase in EUR terms after OPEC agreed on production limits after the strong price decline caused by the coronavirus crisis in April 2020.

The German benchmark index DAX rose by 16.26% and the ATX by 8.38% during the reporting period while the Italian exchange advanced by 5.51% and the British benchmark index lost 1.84% in euro terms due to Brexit. In sector terms, materials delivered the best performance followed by IT and durable consumer goods while real estate and energy posted the worst performance under these conditions.

### Portfolio

After the equity market correction in February and March 2020 turned out to be extreme (minus 30%), the central banks and then governments brought hope for a rapid economic recovery after the end of the first lockdown in the spring with a variety of stimulus programmes, and we maintained the equities positions for the most part as a result. We preferred the technology sector and utilities throughout the reporting period. Financials have not been on our short list for some time, but we changed our investment opinion at the turn of the year and have substantially increased the weighting of banks in particular since then.

We had no investments in the energy sector, and only had minor positions in basic materials and communication services. We had to sell some companies in June and July because the periodic updates of our sustainability analysis showed that they no longer met the minimum criteria. These companies were ACS (infrastructure), Compass (food services), Persimmon (residential construction), Siemens (industry), and Siemens Gamesa Renewable Energy (wind turbines). In December, we sold Ubisoft (media) because it no longer met the minimum criteria.

We held the cash share at between 1% and 3% the entire time. We maintained a lower weighting for British shares most of the time and did not make any substantial changes to this when an agreement between the EU and Great Britain was announced at the end of the year. Companies in the Eurozone make up over 50% of the fund volume on a permanent basis.

The best performance in the fund came from Logitech (technology) with a gain of 156%, followed by MetsoOutotec (industry) at plus 101%, Lenzing (basic materials) at plus 95%, Infineon (technology) at plus 92%, and ASML (technology) with a gain of 89%.

The equities share in the fund is currently at 98%. No options or futures were used in the fund.

The fund gained 11.66% in value over the period, outperforming the broad market.

## Method of Calculating the Global Exposure

Method of calculating the global exposure:		Commitment approach
Reference assets used:		–
Value at risk:	Lowest value:	–
	Average value:	–
	Highest value:	–
Model used:		–
Leverage* when using the value-at-risk calculation method:		–
Leverage** according to § 4 of the 4 <sup>th</sup> Derivatives Risk Measurement and Reporting Regulation:		–

\* Total nominal values of derivative instruments without taking into account offsetting and hedging (item 8.5. Schedule B InvFG 2011).

\*\* Total derivative risk taking offsetting and hedging into account = total of the equivalent values of the underlying assets as a percentage of the fund assets.

## Asset Allocation

	As of 28.02.2021	
	EUR millions	%
Equities		
GBP	10.3	16.37
DKK	3.8	6.10
EUR	37.2	59.15
NOK	0.6	0.96
SEK	1.9	3.04
CHF	7.4	11.70
USD	0.6	0.94
Transferable securities	61.9	98.25
Bank balances	1.0	1.59
Dividend entitlements	0.1	0.17
Other deferred items	-0.0	-0.01
<b>Fund assets</b>	<b>63.0</b>	<b>100.00</b>

## Comparative Overview

Accounting year	Fund assets
2018/2019	91,033,882.51
2019/2020	98,820,535.20
2020/2021	62,966,345.25

General information about performance:

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the performance is not reported below.

When a unit category is issued during the reporting period, the performance and reinvestment are calculated from the point in time that the unit category is launched. Because of this and possible other fees and currency classes, the performance and reinvestment of this unit category differ from those of comparable unit categories.

The performance is determined assuming the reinvestment of all paid dividends and amounts at their nominal value on the day of disbursement.

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/ payment	Re-investment	Development in per cent
2018/2019	Dividend-bearing units	AT0000A1E0V5	EUR	137.21	3.0000	0.0000	-2.51
2019/2020	Dividend-bearing units	AT0000A1E0V5	EUR	138.64	3.0000	0.0000	3.27
2020/2021	Dividend-bearing units	AT0000A1E0V5	EUR	151.25	3.9000	0.0000	11.66

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	Non-dividend-bearing units	AT0000645973	EUR	145.77	0.0000	0.0000	-2.52
2019/2020	Non-dividend-bearing units	AT0000645973	EUR	150.55	0.0679	0.0000	3.28
2020/2021	Non-dividend-bearing units	AT0000645973	EUR	168.02	0.0844	0.0000	11.66

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	Non-dividend-bearing units	AT0000A28E54	EUR	-	-	-	-
2019/2020	Non-dividend-bearing units	AT0000A28E54	EUR	100.48	0.3154	1.5190	0.48
2020/2021	Non-dividend-bearing units	AT0000A28E54	EUR	112.99	0.2711	0.8875	12.83

Accounting year	Fund type	ISIN	Currency	Calculated value per unit	Dividend disbursement/payment	Re-investment	Development in per cent
2018/2019	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	145.93	-	-	-
2019/2020	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	150.71	-	-	-
2020/2021	KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	168.30	-	-	-

## Disbursement/Payment

The following disbursement or payment will be made for the accounting year from 1 March 2020 to 28 February 2021. The coupon-paying bank is obligated to withhold capital gains tax from this disbursement if the respective investor is not exempt from the payment of this tax.

The disbursement or payment will be effected on or after 1 June 2021 at

Erste Group Bank AG, Vienna,

and the respective bank managing the Unit-holder's securities account.

Fund type	ISIN	Currency	Dividend disbursement/payment		KESt with option declaration	KESt w/o option declaration	Re-investment
Dividend-bearing units	AT0000A1E0V5	EUR	3.9000		0.0703	0.0703	0.0000
Non-dividend-bearing units	AT0000645973	EUR	0.0844		0.0844	0.0844	0.0000
Non-dividend-bearing units	AT0000A28E54	EUR	0.2711		0.2711	0.2711	0.8875
KESt-exempt non-dividend-bearing units	AT0000A0WM11	EUR	-	*	-	-	-

\* Pursuant to the penultimate sentence of § 58 (2) of the Austrian Investment Fund Act, no capital gains tax will be paid.

## Income Statement and Changes in Fund Assets

### 1. Value Development over the Accounting Year (Fund Performance)

Calculation according to the OeKB method per unit in the unit currency not accounting for a front-end surcharge

The performance of unit categories with no outstanding units at the end of the reporting period or no outstanding units during the reporting period is generally based on the dividend-adjusted performance of the overall fund. In these cases, the “performance”, the “net earnings per unit”, and the “total value including (notional) units gained through disbursement/payment” are not reported in the following.

When a unit category is issued during the reporting period, the performance is calculated from the point in time that the unit category is launched. Because of this and possible other fees and currency classes, the performance of this unit category differs from that of comparable unit categories.

<b>AT0000A1E0V5 dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (15,492.833 units)	138.64
Disbursement/payment on 28.05.2020 (corresponds to roughly 0.0235 units at a calculated value of 127.61)	3.0000
Unit value at the end of the reporting period (20,310.939 units)	151.25
Total value including (notional) units gained through dividend disbursement/payment	154.81
Net earnings per unit	16.17
<b>Value development of one unit in the period</b>	<b>11.66%</b>

<b>AT0000645973 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (642,056.924 units)	150.55
Disbursement/payment on 28.05.2020 (corresponds to roughly 0.0005 units at a calculated value of 141.76)	0.0679
Unit value at the end of the reporting period (356,367.041 units)	168.02
Total value including (notional) units gained through dividend disbursement/payment	168.10
Net earnings per unit	17.55
<b>Value development of one unit in the period</b>	<b>11.66%</b>

<b>AT0000A28E54 non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (66.252 units)	100.48
Disbursement/payment on 28.05.2020 (corresponds to roughly 0.0033 units at a calculated value of 94.58)	0.3154
Unit value at the end of the reporting period (153.327 units)	112.99
Total value including (notional) units gained through dividend disbursement/payment	113.37
Net earnings per unit	12.89
<b>Value development of one unit in the period</b>	<b>12.83%</b>

<b>AT0000A0WM11 KEST-exempt non-dividend-bearing units EUR</b>	
Unit value at the beginning of the reporting period (0.000 units)	150.71
Disbursement/payment	0.0000
Unit value at the end of the reporting period (0.000 units)	168.30
Total value including (notional) units gained through dividend disbursement/payment	-
Net earnings per unit	-
<b>Value development of one unit in the period</b>	<b>-</b>



## **2. Fund Result**

### **a. Realised fund result**

#### **Ordinary fund result**

##### **Income (without profit or loss from price changes)**

Interest income (excluding income adjustment)	0.00	
Dividend income	1,441,591.34	
Other income 8)	<u>0.00</u>	
Total income (without profit or loss from price changes)		1,441,591.34

**Interest paid** - 7,290.58

##### **Expenses**

Fees paid to Investment Firm	- 1,070,395.00	
Costs for the financial auditor and tax consultation	- 5,284.00	
Publication costs	- 111,503.40	
Securities account fees	- 15,727.77	
Depository bank fees	- 57,170.17	
Costs for the external consultant	<u>0.00</u>	
Total expenses		- 1,260,080.34
Compensation for management costs from sub-funds 1)		<u>0.00</u>

**Ordinary fund result (excluding income adjustment)** **174,220.42**

##### **Realised profit or loss from price changes 2) 3)**

Realised gains 4)	8,005,829.81	
Realised losses 5)	<u>- 8,427,404.56</u>	

**Realised profit or loss from price changes (excluding income adjustment)** **- 421,574.75**

**Realised fund result (excluding income adjustment)** **- 247,354.33**

### **b. Unrealised profit or loss from price changes 2) 3)**

Changes in the unrealised profit or loss from price changes 7) 5,953,382.16

**Result for the reporting period 6)** **5,706,027.83**

### **c. Income adjustment**

Income adjustment for income in the period 209,087.81

Income adjustment for profit carried forward from dividend-bearing units 31,079.15

**Overall fund result** **5,946,194.79**

### **3. Changes in Fund Assets**

<b>Fund assets at the beginning of the reporting period</b>	<b>98,820,535.20</b>
<b>Disbursement/payment in the accounting year</b>	<b>- 79,875.11</b>
<b>Issue and redemption of units</b>	<b>- 41,720,509.63</b>
<b>Overall fund result</b>	
(The fund result is shown in detail under item 2.)	<b>5,946,194.79</b>
<b>Fund assets at the end of the reporting period</b>	<b><u>62,966,345.25</u></b>

- 1) Reimbursements (in the sense of commissions) paid by third parties are forwarded to the fund after deduction of appropriate costs. Erste Bank der oesterreichischen Sparkassen AG receives 25% of the calculated commissions to cover administrative costs.
- 2) Realised profits and losses are not calculated precisely for the specific periods, which means that they, as is the case for the changes in the unrealised profit or loss, are not necessarily congruent with the changes in the value of the fund in the reporting year.
- 3) Total profit or loss from price changes without income adjustment (realised profit or loss from price changes, without income adjustment, plus changes in the unrealised profit or loss): EUR 5,531,807.41.
- 4) Thereof profits from transactions with derivative financial instruments: EUR 0.00.
- 5) Thereof losses from transactions with derivative financial instruments: EUR 0.00.
- 6) The result for the accounting year includes explicitly reported transaction costs in the amount of EUR 61,641.13.
- 7) Thereof changes in unrealised gains EUR 1,672,856.54 and unrealised losses EUR 4,280,525.62.
- 8) The earnings reported under this item can be attributed to lending fees from securities lending transactions conducted with Erste Group Bank AG in the amount of EUR 0.00, to earnings from real estate funds in the amount of EUR 0.00, and to other earnings in the amount of EUR 0.00.

# Statement of Assets and Liabilities as of 28 February 2021

(including changes in securities assets from 1 March 2020 to 28 February 2021)

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Publicly traded securities</b>							
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
ASTRAZENECA PLC DL-.25	GB0009895292	0	15,830	21,170	69.450	1,693,453.70	2.69
DIAGEO PLC LS-.28935185	GB0002374006	0	56,810	23,290	28.125	754,470.46	1.20
TESCO PLC LS-.0633333	GB00BLGZ9862	182,424	1	182,423	2.248	472,341.51	0.75
Total issue country Great Britain						<u>2,920,265.67</u>	<u>4.64</u>
Total equities denominated in GBP translated at a rate of 0.86820						<u>2,920,265.67</u>	<u>4.64</u>
<b>Equities denominated in DKK</b>							
<b>Issue country Denmark</b>							
ISS AS DK 1	DK0060542181	0	16,620	22,080	111.000	329,594.34	0.52
NOVO-NORDISK REG.B DK-.20	DK0060534915	4,000	17,200	24,400	437.950	1,437,050.58	2.28
ORSTED A/S DK 10	DK0060094928	0	6,730	9,270	998.000	1,244,136.34	1.98
VESTAS WIND SYST. REG.DK1	DK0010268606	4,000	8,660	5,340	1,154.500	829,073.23	1.32
Total issue country Denmark						<u>3,839,854.49</u>	<u>6.10</u>
Total equities denominated in DKK translated at a rate of 7.43605						<u>3,839,854.49</u>	<u>6.10</u>
<b>Equities denominated in EUR</b>							
<b>Issue country Belgium</b>							
KBC GROEP N.V.	BE0003565737	0	4,850	6,750	59.620	402,435.00	0.64
Total issue country Belgium						<u>402,435.00</u>	<u>0.64</u>
<b>Issue country Germany</b>							
ADIDAS AG NA N.P.	DE000A1EWWW0	4,000	980	3,020	288.900	872,478.00	1.39
ALLIANZ SE NA N.P.	DE0008404005	0	6,530	8,770	199.800	1,752,246.00	2.78
AUMANN AG BEARER N.P.	DE000A2DAM03	0	1,400	18,600	14.060	261,516.00	0.42
CONTINENTAL AG N.P.	DE0005439004	0	2,180	3,020	118.900	359,078.00	0.57
COVESTRO AG N.P.	DE0006062144	0	5,320	9,680	59.960	580,412.80	0.92
DEUTSCHE BOERSE NA N.P.	DE0005810055	0	3,370	3,530	135.550	478,491.50	0.76
DEUTSCHE POST AG NA N.P.	DE0005552004	0	14,480	14,520	41.060	596,191.20	0.95
DEUTSCHE WOHNEN SE BEARER	DE000A0HN5C6	0	3,050	5,650	38.950	220,067.50	0.35
FRAPORT AG FFM.AIRPORT	DE0005773303	0	2,000	4,200	52.300	219,660.00	0.35
HENKEL AG+CO.KGAA ST N.P.	DE0006048408	0	1,380	2,720	73.400	199,648.00	0.32
INFINEON TECH.AG NA N.P.	DE0006231004	0	12,070	16,130	36.000	580,680.00	0.92
LEG IMMOBILIEN AG NA N.P.	DE000LEG1110	116	2,196	2,920	113.140	330,368.80	0.52
LUFTHANSA AG VNA N.P.	DE0008232125	0	0	13,000	12.285	159,705.00	0.25

## ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
MUENCH.RUECKVERS.VNA N.P.	DE0008430026	500	990	1,810	243.000	439,830.00	0.70
PUMA SE	DE0006969603	0	3,150	5,650	87.980	497,087.00	0.79
SIEMENS AG NA N.P.	DE0007236101	6,000	17,360	5,240	127.980	670,615.20	1.07
SYMRISE AG BEARER N.P.	DE000SYM9999	3,000	780	2,220	96.720	214,718.40	0.34
VONOVIA SE NA N.P.	DE000A1ML7J1	0	4,450	5,650	52.740	297,981.00	0.47
Total issue country Germany						<u>8,730,774.40</u>	<u>13.87</u>
<b>Issue country France</b>							
VALEO SA BEARER EO 1	FR0013176526	11,000	2,830	8,170	29.240	238,890.80	0.38
Total issue country France						<u>238,890.80</u>	<u>0.38</u>
<b>Issue country Great Britain</b>							
UNILEVER PLC LS-.031111	GB00B10RZP78	39,400	5,320	34,080	43.330	1,476,686.40	2.35
Total issue country Great Britain						<u>1,476,686.40</u>	<u>2.35</u>
<b>Issue country Ireland</b>							
CRH PLC EO-.32	IE0001827041	0	13,060	17,340	35.800	620,772.00	0.99
KINGSPAN GRP PLC EO-.13	IE0004927939	5,500	6,740	7,460	60.250	449,465.00	0.71
Total issue country Ireland						<u>1,070,237.00</u>	<u>1.70</u>
<b>Issue country Italy</b>							
UNICREDIT	IT0005239360	0	21,670	29,130	8.540	248,770.20	0.40
Total issue country Italy						<u>248,770.20</u>	<u>0.40</u>
<b>Issue country Austria</b>							
ERSTE GROUP BNK BEARER N.P.	AT0000652011	0	6,430	8,170	27.290	222,959.30	0.35
LENZING AG	AT0000644505	0	1,770	3,430	118.800	407,484.00	0.65
VOESTALPINE AG	AT0000937503	0	3,320	9,880	32.840	324,459.20	0.52
Total issue country Austria						<u>954,902.50</u>	<u>1.52</u>
Total equities denominated in EUR						<u>13,122,696.30</u>	<u>20.84</u>
<b>Equities denominated in SEK</b>							
<b>Issue country Sweden</b>							
ATLAS COPCO A	SE0011166610	0	9,500	12,700	482.100	600,497.25	0.95
EPIROC AB A	SE0011166933	0	16,620	22,080	179.200	388,067.48	0.62
ESSITY AB B	SE0009922164	0	21,170	28,130	253.800	700,215.18	1.11
TELIA COMPANY AB SK 3.20	SE0000667925	0	50,160	66,740	34.110	223,273.97	0.35
Total issue country Sweden						<u>1,912,053.88</u>	<u>3.04</u>
Total equities denominated in SEK translated at a rate of 10.19600						<u>1,912,053.88</u>	<u>3.04</u>
Total publicly traded securities						<u>21,794,870.34</u>	<u>34.61</u>

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Securities admitted to organised markets</b>							
<b>Equities denominated in GBP</b>							
<b>Issue country Great Britain</b>							
ASHTeAD GRP PLC LS-.10	GB0000536739	0	25,520	9,680	38.800	432,600.78	0.69
BARRATT DEV. PLC LS-.10	GB0000811801	40,000	34,290	76,010	6.644	581,675.24	0.92
COMPASS GROUP LS-.1105	GB00BD6K4575	60,000	109,460	29,840	14.550	500,082.93	0.79
GLAXOSMITHKLINE LS-.25	GB0009252882	0	44,030	58,870	11.908	807,445.24	1.28
ITV PLC LS-.10	GB0033986497	0	0	120,000	1.099	151,831.38	0.24
LAND SECURITIES GROUP PLC	GB00BYW0PQ60	0	29,980	40,320	6.650	308,832.07	0.49
LEGAL GENL GRP PLCLS-.025	GB0005603997	0	116,450	154,950	2.593	462,779.72	0.73
LLOYDS BKG GRP LS-.10	GB0008706128	0	644,190	856,310	0.390	384,658.95	0.61
M+G LS-.05	GB00BKFB1C65	0	14,250	92,550	1.839	196,037.15	0.31
MONDI PLC EO-.20	GB00B1CRLC47	8,000	12,720	22,380	17.245	444,532.48	0.71
NATIONAL GRID PLC	GB00BDR05C01	0	31,360	41,640	8.064	386,759.92	0.61
PRUDENTIAL PLC LS-.05	GB0007099541	0	51,150	67,950	14.085	1,102,367.83	1.75
RECKITT BENCK.GRP LS-.10	GB00B24CGK77	10,000	1,330	8,670	60.000	599,170.70	0.95
STAND. CHART. PLC DL-.50	GB0004082847	0	43,330	57,570	4.621	306,416.69	0.49
VODAFONE GROUP PLC	GB00BH4HKS39	0	385,860	513,340	1.220	721,466.79	1.15
Total issue country Great Britain						<u>7,386,657.87</u>	<u>11.73</u>
Total equities denominated in GBP translated at a rate of 0.86820						<u>7,386,657.87</u>	<u>11.73</u>
<b>Equities denominated in EUR</b>							
<b>Issue country Belgium</b>							
UMICORE S.A.	BE0974320526	3,000	5,230	9,170	48.660	446,212.20	0.71
Total issue country Belgium						<u>446,212.20</u>	<u>0.71</u>
<b>Issue country Finland</b>							
METSO OUTOTEC OYJ	FI0009014575	89,670	22,860	66,810	9.315	622,335.15	0.99
NOKIA OYJ EO-.06	FI0009000681	0	58,370	77,430	3.300	255,519.00	0.41
Total issue country Finland						<u>877,854.15</u>	<u>1.39</u>
<b>Issue country France</b>							
AIR LIQUIDE BEARER EO 5.50	FR0000120073	0	5,050	6,770	124.700	844,219.00	1.34
ALSTOM S.A. BEARER EO 7	FR0010220475	26,000	6,640	19,360	41.340	800,342.40	1.27
AMUNDI S.A. EO 2.50	FR0004125920	9,000	1,940	7,060	63.000	444,780.00	0.71
ATOS SE NOM. EO 1	FR0000051732	0	3,360	4,240	64.620	273,988.80	0.44
AXA S.A. BEARER EO 2.29	FR0000120628	0	17,310	22,990	20.800	478,192.00	0.76
BNP PARIBAS BEARER EO 2	FR0000131104	0	16,100	19,900	49.275	980,572.50	1.56
CAPGEMINI SE BEARER EO 8	FR0000125338	0	2,180	3,020	133.150	402,113.00	0.64
CREDIT AGRICOLE BEARER EO 3	FR0000045072	0	21,070	27,830	11.615	323,245.45	0.51
DASSAULT SYS SE BEARER.EO0.5	FR0000130650	0	2,180	3,120	171.900	536,328.00	0.85

## ERSTE RESPONSIBLE STOCK EUROPE

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
KERING S.A. BEARER EO 4	FR0000121485	0	1,380	2,620	524.900	1,375,238.00	2.18
LVMH EO 0.3	FR0000121014	0	4,660	4,140	525.000	2,173,500.00	3.45
ORANGE BEARER EO 4	FR0000133308	0	39,770	52,830	9.548	504,420.84	0.80
OREAL (L') BEARER EO 0.2	FR0000120321	300	2,670	3,430	302.800	1,038,604.00	1.65
SCHNEIDER ELEC. BEARER EO 4	FR0000121972	7,500	6,890	12,910	122.850	1,585,993.50	2.52
ST GOBAIN EO 4	FR0000125007	0	8,310	11,090	44.420	492,617.80	0.78
TELEPERFORMANCE BEARER.EO2.5	FR0000051807	1,000	190	810	293.100	237,411.00	0.38
Total issue country France						<u>12,491,566.29</u>	<u>19.84</u>
<b>Issue country Ireland</b>							
KERRY GRP PLC A EO-.125	IE0004906560	3,000	780	2,220	99.950	221,889.00	0.35
Total issue country Ireland						<u>221,889.00</u>	<u>0.35</u>
<b>Issue country Italy</b>							
INTESA SANPAOLO	IT0000072618	0	114,570	152,430	2.134	325,285.62	0.52
TECHNOGYM S.P.A.	IT0005162406	50,000	12,700	37,300	9.030	336,819.00	0.53
Total issue country Italy						<u>662,104.62</u>	<u>1.05</u>
<b>Issue country Luxembourg</b>							
APERAM S.A.	LU0569974404	0	6,730	8,870	34.740	308,143.80	0.49
Total issue country Luxembourg						<u>308,143.80</u>	<u>0.49</u>
<b>Issue country Netherlands</b>							
AHOLD DELHAIZE,KON.EO-.01	NL0011794037	0	18,360	13,040	21.840	284,793.60	0.45
AKZO NOBEL EO 0.5	NL0013267909	5,000	760	4,240	85.560	362,774.40	0.58
ASML HOLDING EO -.09	NL0010273215	0	4,060	5,640	465.350	2,624,574.00	4.17
HEINEKEN EO 1.60	NL0000009165	0	3,660	5,040	81.700	411,768.00	0.65
ING GROEP NV EO -.01	NL0011821202	60,000	78,560	129,240	9.039	1,168,200.36	1.86
KONINKL. PHILIPS EO -.20	NL0000009538	580	16,320	21,660	44.955	973,725.30	1.55
NN GROUP NV EO -.12	NL0010773842	0	8,310	11,090	38.200	423,638.00	0.67
RANDSTAD NV EO -.10	NL0000379121	0	4,550	6,050	55.340	334,807.00	0.53
STMICROELECTRONICS	NL0000226223	0	13,160	17,740	31.970	567,147.80	0.90
URW (STAPLED SHS) EO-.05	FR0013326246	0	0	2,600	60.820	158,132.00	0.25
WOLTERS KLUWER REG. EO-12	NL0000395903	0	5,640	7,560	65.680	496,540.80	0.79
Total issue country Netherlands						<u>7,806,101.26</u>	<u>12.40</u>
<b>Issue country Spain</b>							
AMADEUS IT GRP SA EO 0.01	ES0109067019	0	1,200	3,400	57.500	195,500.00	0.31
BCO BIL.VIZ.ARG.NOM.EO-49	ES0113211835	0	59,760	79,140	4.603	364,281.42	0.58
BCO SANTANDER N.EO0.5	ES0113900J37	9,000	137,290	187,310	2.898	542,730.73	0.86
TELEFONICA BEARER EO 1	ES0178430E18	0	43,430	57,670	3.526	203,344.42	0.32
Total issue country Spain						<u>1,305,856.57</u>	<u>2.07</u>
Total equities denominated in EUR						<u>24,119,727.89</u>	<u>38.31</u>

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals	Holding	Price	Value in EUR	% share of fund assets
<b>Equities denominated in NOK</b>							
<b>Issue country Norway</b>							
AKER HORIZONS AS NK 1	N00010921232	22,576	0	22,576	40.200	86,820.39	0.14
DNB NOR ASA A NK 10	N00010031479	0	24,340	32,260	168.650	520,474.40	0.83
Total issue country Norway						607,294.79	0.96
Total equities denominated in NOK translated at a rate of 10.45325						607,294.79	0.96
<b>Equities denominated in CHF</b>							
<b>Issue country Austria</b>							
AMS AG	AT0000A18XM4	15,000	3,810	11,190	21.380	217,720.53	0.35
Total issue country Austria						217,720.53	0.35
<b>Issue country Switzerland</b>							
ABB LTD. NA SF 0.12	CH0012221716	0	16,520	22,080	26.120	524,848.34	0.83
GEBERIT AG NA DISP. SF-10	CH0030170408	600	230	370	536.200	180,546.94	0.29
LANDIS+GYR GROUP AG SF 10	CH0371153492	0	1,500	3,500	63.100	200,982.85	0.32
LOGITECH INTL NA SF -.25	CH0025751329	0	5,940	7,860	97.020	693,977.52	1.10
LONZA GROUP AG NA SF 1	CH0013841017	0	1,880	2,420	573.800	1,263,681.12	2.01
ROCHE HLDG AG GEN.	CH0012032048	0	9,220	10,280	297.950	2,787,392.27	4.43
SGS S.A. NA SF 1	CH0002497458	270	0	270	2,595.000	637,621.15	1.01
STRAUMANN HLDG NA SF 0.10	CH0012280076	0	800	600	1,099.000	600,081.90	0.95
SWISS RE AG REG. SF -.10	CH0126881561	1,400	1,370	3,330	85.440	258,920.87	0.41
Total issue country Switzerland						7,148,052.96	11.35
Total equities denominated in CHF translated at a rate of 1.09885						7,365,773.49	11.70
<b>Equities denominated in USD</b>							
<b>Issue country Netherlands</b>							
NXP SEMICONDUCTORS EO-.20	NL0009538784	0	2,870	3,930	182.550	591,054.13	0.94
Total issue country Netherlands						591,054.13	0.94
Total equities denominated in USD translated at a rate of 1.21380						591,054.13	0.94
Total securities admitted to organised markets						40,070,508.17	63.64
<b>Unlisted securities</b>							
<b>Equities denominated in EUR</b>							
<b>Issue country Germany</b>							
ABWICKL.BIOGAS I NA N.P.	DE000SBGS111	0	0	42,354	0.000	0.00	0.00
Total issue country Germany						0.00	0.00
Total equities denominated in EUR						0.00	0.00
Total unlisted securities						0.00	0.00

**Breakdown of fund assets**

Transferable securities	61,865,378.51	98.25
Bank balances	1,000,231.04	1.59
Dividend entitlements	105,232.46	0.17
Other deferred items	-4,496.76	- 0.01
<b>Fund assets</b>	<b>62,966,345.25</b>	<b>100.00</b>

**Investor note:**

**The values of assets in illiquid markets may deviate from their actual selling prices.**

Dividend-bearing units outstanding	AT0000A1E0V5	units	20,310.939
Value of dividend-bearing unit	AT0000A1E0V5	EUR	151.25
Non-dividend-bearing units outstanding	AT0000645973	units	356,367.041
Value of non-dividend-bearing unit	AT0000645973	EUR	168.02
Non-dividend-bearing units outstanding	AT0000A28E54	units	153.327
Value of non-dividend-bearing unit	AT0000A28E54	EUR	112.99
KEST-exempt non-dividend-bearing units outstanding	AT0000A0WM11	units	0.000
Value of KEST-exempt non-dividend-bearing unit	AT0000A0WM11	EUR	168.30

The fund is not permitted to engage in repurchase agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, repurchase agreements were not employed.

No total return swaps pursuant to Regulation (EU) 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse) were concluded for the fund during the reporting period.

The fund is not permitted to engage in securities lending agreements pursuant to Regulation (EU) No. 2015/2365 (Regulation on Transparency of Securities Financing Transactions and of Reuse). For this reason, securities lending agreements were not employed.

**Explanation on disclosure pursuant to Delegated Regulation (EU) No. 2016/2251 supplementing Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties, and trade repositories with regard to regulatory technical standards for risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty:**

All OTC derivatives are traded through Erste Group Bank AG.

In the event of negative derivatives exposure, collateral in the form of cash or bonds is pledged to Erste Group Bank AG in accordance with the contractually agreed threshold.

In the event of positive derivatives exposure, EUR-denominated government bonds from the Republic of Austria and/or the Federal Republic of Germany are pledged by Erste Group Bank AG to the fund in accordance with the contractually agreed threshold. A one-time discount of 4% is agreed with the counterparty for this collateral. Collateral that would require a higher discount pursuant to Annex II to Delegated Regulation (EU) No. 2016/2251 is not accepted.



**Purchases and sales of transferable securities in the reporting period not listed in the statement of assets and liabilities**

Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
<b>Publicly traded securities</b>			
<b>Equities denominated in GBP</b>			
<b>Issue country Great Britain</b>			
TESCO PLC LS-.05	GB0008847096	0	404,500
UNILEVER PLC LS-.031111	GB00B10RZP78	2,800	2,800
<b>Equities denominated in EUR</b>			
<b>Issue country Germany</b>			
BEIERSDORF AG N.P.	DE0005200000	4,000	4,000
TUI AG NA N.P.	DE000TUAG000	0	81,200
<b>Issue country Finland</b>			
METSO CORP.	FI0009007835	0	22,000
<b>Issue country France</b>			
ALSTOM S.A. BEARER -RIGHTS-	FR0014000IN0	22,400	22,400
INGENICO GROUP S.A. EO 1	FR0000125346	0	4,800
<b>Issue country Netherlands</b>			
UNILEVER REG. EO -.16	NL0000388619	6,000	58,100
<b>Issue country Austria</b>			
RAIFFEISEN INTL BK-HO.BEARER	AT0000606306	0	11,100
<b>Issue country Spain</b>			
ACS,ACT.CO.SER.BEARER -RIGHTS-	ES06670509G4	0	13,700
ACS,ACT.CO.SER.BEARER.EO-.50	ES0167050915	0	13,700
FERROVIAL S.A.BEARER EO-.20	ES0118900010	0	10,500
SIEMENS GAMESA R.E.EO-.17	ES0143416115	0	59,500
TELEFONICA BEARER -RIGHTS-	ES06784309D9	66,600	66,600
TELEFONICA BEARER -RIGHTS-	ES06784309C1	77,400	77,400

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**ERSTE RESPONSIBLE STOCK EUROPE**


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Security designation	ISIN number	Purch./ additions Units/nominal (nom. in 1,000, rounded)	Sales/ disposals
<b>Equities denominated in SEK</b>			
<b>Issue country Sweden</b>			
SANDVIK AB	SE0000667891	0	25,100
SECURITAS AB B SK 1	SE0000163594	0	52,700
<b>Securities admitted to organised markets</b>			
<b>Equities denominated in GBP</b>			
<b>Issue country Great Britain</b>			
ANTOFAGASTA PLC LS-.05	GB0000456144	0	70,300
BUNZL PLC LS-.3214857	GB00B0744B38	0	19,900
PERSIMMON PLC LS-.10	GB0006825383	0	29,400
<b>Equities denominated in EUR</b>			
<b>Issue country Finland</b>			
NELES OYJ	FI4000440664	16,900	16,900
<b>Issue country France</b>			
PERNOD-RICARD N.P.	FR0000120693	2,000	8,100
RENAULT BEARER EO 3.81	FR0000131906	0	6,900
STE GENERALE BEARER EO 1.25	FR0000130809	0	15,200
UBISOFT ENTMT IN.EO-.0775	FR0000054470	4,000	4,000
VINCI S.A. BEARER EO 2.50	FR0000125486	0	17,800
<b>Issue country Austria</b>			
AMS AG	AT0000A18XM4	900	900
<b>Issue country Spain</b>			
BANKINTER NOM. EO -.30	ES0113679I37	0	38,000
RED ELECTRICA CORP.EO-.50	ES0173093024	0	39,000
<b>Equities denominated in CHF</b>			
<b>Issue country Switzerland</b>			
PARTNERS GR.HLDG SF -.01	CH0024608827	0	600

<b>Security designation</b>	<b>ISIN number</b>	<b>Purch./ additions</b>	<b>Sales/ disposals</b>
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**Units/nominal (nom. in 1,000, rounded)**

**Unlisted securities****Equities denominated in EUR****Issue country Spain**

FERROVIAL S.A. BEARER -RIGHTS-	ES06189009F1	9,200	9,200
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Vienna, 30 April 2021

Erste Asset Management GmbH  
Electronically signed

Inspection information: The electronic signatures of this document can be inspected at the website of Rundfunk und Regulierungs-GmbH (<https://www.signatur.rtr.at/de/vd/Pruefung.html>).

Note: This document was signed with two qualified electronic signatures. A qualified electronic signature has the same legal effect as a hand-written signature (Art 25 of Regulation [EU] No 910/2014 [eIDAS Regulation]).

## Remuneration Policy

### Remuneration paid to employees of Erste Asset Management GmbH in EUR (2019 financial year of Erste Asset Management GmbH)

No investment success bonuses are paid, and no other amounts are paid directly from the investment funds.

Number of employees as of 31.12.19	247
Number of risk bearers in 2019	128
Fixed remuneration	17,977,688
Variable remuneration (bonuses)	5,281,483
<b>Total employee remuneration</b>	<b>23,259,171</b>
Thereof remuneration for managing directors	1,024,116
Thereof remuneration for managerial risk bearers	3,986,249
Thereof remuneration for risk bearers with control functions*	1,410,947
Thereof remuneration for other risk bearers	7,776,396
Thereof remuneration for employees in the same income bracket as managers and risk bearers due to the amount of their total remuneration	0
<b>Total remuneration for risk bearers</b>	<b>14,197,708</b>

\* Includes the Head of Compliance

### Principles governing performance-based remuneration components

The Management Company has adopted remuneration principles to prevent possible conflicts of interest and to ensure compliance with the standard rules of conduct when awarding remuneration to relevant persons.

Fixed salary components make up a large enough share of the total remuneration of all employees of the Management Company that a variable remuneration policy can be applied on an individualised basis.

The total remuneration (fixed and variable components) is governed by the principle of balance and is linked to sustainability so that the acceptance of excessive risks is not rewarded. Therefore, the variable remuneration forms no more than a balanced portion of the total remuneration awarded to an employee.

The performance-based remuneration components serve the short-term and long-term interests of the Management Company and contribute to preventing risky behaviour. The performance-based remuneration components take into account individual performance as well as the profitability of the Management Company.

The size of the bonus pool is calculated based on the bonus potential that can be applied to the different employee categories. Bonus potential is a percentage of the fixed annual gross remuneration. The bonus potential can be no more than 100% of the fixed annual gross remuneration. The bonus pool is adjusted depending on the success of the Management Company. The personal bonus is linked to individual performance. The total of personal bonuses is limited by the size of the bonus pool after deduction of penalties.

The performance-based payments are capped at 100% of the annual gross remuneration for all employees, including the material risk bearers (according to the definition in the remuneration policy) and managing directors of the Management Company.

The remuneration system is made up of three components:

- 1) Fixed remuneration
- 2) Variable remuneration
- 3) Fringe benefits

The bonus potential is based on the fixed annual gross remuneration. The target agreements concluded with the employees contain qualitative and/or quantitative objectives. The payment of performance-based remuneration components is subject to a minimum profitability level for the Management Company and to performance targets.

Sixty per cent of the performance-based remuneration components are paid immediately; for employees who are involved directly in fund and portfolio management, 50% of this is paid immediately in cash and 50% is paid one year later in the form of non-cash instruments. The remaining 40% of the performance-based remuneration components are retained and paid out over a period of three years, with 50% of this also being paid in cash and 50% in the form of non-cash instruments for employees who are involved directly in fund and portfolio management. The non-cash instruments can consist of units in an investment fund that is administered by the Management Company, equivalent holdings or instruments linked to units, or equivalent non-cash instruments. Based on the principle of proportionality, the Management Company has set a materiality threshold below which there is no incentive to enter into inappropriate risks, for which reason there is no need to make delayed payment or payment in the form of a non-cash instrument. Other non-cash benefits are fringe benefits that are not associated with performance but with a specific position (e.g. company car) or that apply for all employees (e.g. holiday).

The Supervisory Board of the Management Company has set up a Remuneration Committee to ensure that the remuneration policy and its application are independently assessed. This committee consists of the following persons: Rudolf Sagmeister, Harald Gasser (remuneration expert), and Heinrich Hubert Reiner.

The complete remuneration policy of the Management Company can be viewed at [http://www.erste-am.at/de/private\\_anleger/wer-sind-wir/investmentprozess](http://www.erste-am.at/de/private_anleger/wer-sind-wir/investmentprozess).

The last audit of compliance with the requirements of the remuneration policy by the Supervisory Board on 27 March 2020 revealed no deviations. There were also no material findings during the last audit by the Internal Auditing department.

No material changes were made to the remuneration policy during the past accounting year.

## **Audit Report\***

### **Statement on the annual report**

#### **Audit opinion**

We have audited the annual report prepared by Erste Asset Management GmbH, Vienna, for the fund under its management

ERSTE RESPONSIBLE STOCK EUROPE  
Jointly owned fund pursuant to the InvFG

consisting of the statement of assets and liabilities as of 28 February 2021, the income statement for the accounting year ending on this date, and the other information specified in Annex I Schedule B of the Austrian Investment Fund Act 2011 (InvFG 2011).

Based on the findings of our audit, we believe that the annual report satisfies the legal requirements and provides a true and fair view of the assets and financial position as of 28 February 2021 and of the earnings position of the fund for the accounting year ending on this date in accordance with Austrian commercial law and the provisions of the InvFG 2011.

#### **Basis for the audit opinion**

We conducted our audit in accordance with § 49 (5) InvFG 2011 and in accordance with the Austrian principles of good auditing. These principles require the application of the International Standards on Auditing (ISA). Our responsibilities under these regulations and standards are described in the section “Responsibilities of the auditor in auditing the annual report” of our audit report. We are independent from the company as specified by the Austrian commercial and industry regulations and fulfilled our other professional obligations in accordance with these requirements. We feel that the audit evidence that we obtained up to the date of the audit certificate is sufficient and suitable to serve as a basis for our audit opinion as of that date.

#### **Other information**

The legal representatives are responsible for the other information. The other information includes all information in the annual report except for the statement of assets and liabilities, the income statement, the other information specified in Annex I Schedule B of the InvFG 2011, and the audit report.

Our audit opinion does not cover this other information, and we provide no assurance whatsoever for this other information.

In the context of our review of the annual report, we are responsible for reading this other information and assessing whether the other information contains material inconsistencies with the annual report or with the information gathered by us during our audit, or appears to contain other manners of material misstatements.

Should we come to the conclusion on the basis of the work completed with the other information received before the date of the audit report that this other information contains a material misstatement, we are required to report about this fact. We have nothing to report in this regard.

### **Management and supervisory board responsibilities relating to the annual report**

The legal representatives are responsible for preparing the annual report and for ensuring that this report provides a true and fair view of the assets and financial and earnings position of the fund in accordance with Austrian commercial law and the provisions of the InvFG 2011. The legal representatives are also responsible for implementing the internal controls that they deem necessary to facilitate the preparation of an annual report that is free from material misstatements due to error or fraud.

The supervisory board is responsible for monitoring the accounting process of the company as it applies to the fund under its management.

### **Responsibilities of the auditor in auditing the annual report**

Our goals are to ascertain with sufficient certainty whether the annual report contains material misstatements due to error or fraud and to issue an audit certificate that includes our audit opinion. Sufficient certainty is a high degree of certainty but no guarantee that an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, will always discover material misstatements that may be present. Misstatements can result from fraud or errors and are considered to be material when it can be reasonably expected that individual misstatements or a combination of misstatements can influence economic decisions made by readers on the basis of this annual report.

As part of an audit conducted in accordance with the Austrian standards on good auditing, which require the application of the ISA, we exercise professional judgement and maintain professional scepticism during the entire audit process.

In addition:

- We identify and assess the risks of material misstatements in the annual report due to error or fraud, plan audit steps in response to these risks, perform the planned audit steps, and collect audit evidence that is sufficient and suitable to form a basis for our audit opinion. The risk that a material misstatement resulting from fraud will remain undiscovered is greater than for misstatements resulting from error because fraudulent activity can include collusion, the falsification of documents, intentional incomplete or misleading representations, and the circumvention of internal controls.
- We familiarise ourselves with the internal control systems that are relevant for the audit to plan audit steps that are appropriate under the specific circumstances, but not so as to state an opinion on the effectiveness of the company's internal control system.

- We assess the appropriateness of the accounting methods applied by the legal representatives and the reasonableness of the estimates made by the legal representatives in the accounts and of the associated information.
- We assess the overall presentation, the structure, and the content of the annual report including the figures as well as whether the annual report depicts the underlying transactions and events in a manner that provides a true and fair view.
- We discuss the planned scope and scheduling of the audit and any material audit findings, including material defects that we discover in the internal control system during our audit, with the supervisory board, among other issues.

Vienna, 30 April 2021

**Ernst & Young**

Wirtschaftsprüfungsgesellschaft m.b.H.

**Mag. Andrea Stippl**  
(Certified Public  
Accountant)

**ppa MMag. Roland Unterweger**  
(Certified Public Accountant)

- \* In the case of the publication or dissemination of the annual report in a form that deviates from the confirmed (unabridged German) version (e.g. an abridged version or translation), reference may not be made to the audit report or our audit without our approval.



## Fund Rules

The Fund Rules for ERSTE RESPONSIBLE STOCK EUROPE, jointly owned fund pursuant to the Austrian Investment Fund Act (Investmentfondsgesetz; InvFG) 2011 as amended, were approved by the Austrian Financial Market Authority (FMA).

The Fund is an undertaking for collective investment in transferable securities (UCITS) and is managed by Erste Asset Management GmbH (the "Management Company" in the following), which has its registered office in Vienna.

### Article 1 Fund Units

The joint ownership of the fund assets is evidenced by certificates having the characteristics of a bearer unit.

The unit certificates are depicted in separate global certificates for each unit category. For this reason, individual unit certificates cannot be issued.

### Article 2 Depositary Bank (Depositary)

The depositary bank (depositary) appointed for the Fund is Erste Group Bank AG, Vienna.

The payment offices for unit certificates are the depositary bank (depositary) and any other payment offices named in the prospectus.

### Article 3 Investment Instruments and Principles

The following assets may be selected for the Fund in accordance with the InvFG.

The Fund invests predominantly, in other words at least 51% of its assets, in stocks from companies in Europe operating under business policies that the Management Company has determined to be sustainable on the basis of a predefined screening process in the form of directly purchased individual instruments, in other words not indirectly or directly through investment funds or through derivatives.

The fund assets are invested in the following instruments in accordance with the investment focus described above.

a) Transferable securities

Transferable securities (including securities with embedded derivative financial instruments) comprise at least 51% of the fund assets.

b) Money market instruments

Money market instruments may comprise up to 49% of the fund assets.

c) Transferable securities and money market instruments

The Fund may purchase transferable securities and money market instruments that are not fully paid up as well as subscription rights for these types of instruments and other financial instruments that are not fully paid up amounting to a maximum of 10% of the fund assets.

Transferable securities and money market instruments may be purchased for the Fund when they meet the criteria regarding listing or trading on a regulated market or a securities exchange pursuant to the InvFG.

Transferable securities and money market instruments that do not meet the criteria described in the previous paragraph may comprise up to 10% of the fund assets in total.

d) Units in investment funds

Units in investment funds (UCITS, UCI) may comprise up to 10% of the fund assets per individual issue and may comprise up to 10% in aggregate total, provided that the target funds themselves (UCITS, UCI) do not invest more than 10% of their fund assets in units of other investment funds.

e) Derivative financial instruments

Derivative financial instruments can be used as part of the investment strategy and for hedging purposes, and may comprise up to 35% of the fund assets.

f) Risk measurement method(s) of the Fund

The Fund applies the following risk measurement methods: commitment approach

The commitment value is determined according to § 3 of the 4th FMA Regulation on Risk Calculation and Reporting of Derivative Instruments (4. Derivate-Risikoberechnungs- und MeldeV) as amended.

g) Demand deposits or deposits with the right to be withdrawn

Demand deposits and deposits with the right to be withdrawn with a maximum term of 12 months may comprise up to 49% of the fund assets.

There are no minimum bank balance requirements.

However, in the course of the restructuring of the fund portfolio and/or in the case of the justified expectation of impending losses experienced by transferable securities, the Fund can hold a proportion of transferable securities below the specified limit and a higher proportion of demand deposits or deposits with the right to be withdrawn with a maximum term of 12 months.

h) Acceptance of short-term loans

The Management Company may accept short-term loans for the account of the Fund up to an amount of 10% of the total fund assets.

i) Repurchase agreements

Does not apply.

j) Securities lending

Does not apply.

Investment instruments may only be purchased for the entire Fund and not for individual unit categories or groups of unit categories.

This does not apply to currency hedging transactions, however. Such transactions can also be concluded solely for a single unit category. Expenses and income resulting from currency hedging transactions shall be allocated solely to the respective unit category.

### **Article 4 Issue and Redemption Procedure**

The unit value shall be calculated in the currency of the respective unit category.

The unit value is calculated at the same time as the issue and redemption price.

#### **Issue of units and front-end surcharge**

The issue price will be calculated and units issued on each Austrian exchange trading day with the exception of bank holidays.

The issue price shall be made up of the unit value plus a surcharge per unit amounting to up to 5.0% to cover the costs incurred by the Management Company in issuing the unit, rounded up to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus.

The Management Company shall be entitled to apply a sliding front-end surcharge scale at its own discretion.

There is no limit on the issue of units in principle. However, the Management Company reserves the right to temporarily or permanently suspend the issue of unit certificates.

#### **Redemption of units and back-end commission**

The redemption price will be calculated and units redeemed on each Austrian exchange trading day with the exception of bank holidays.

The redemption price is the unit value rounded down to the next equivalent sub-unit of the currency unit specified for the respective unit category in the prospectus. No back-end commission will be charged.

Upon request by the Unit-holder, his units shall be redeemed at the current redemption price in return for the unit certificate.

**Article 5**  
**Accounting Year**

The accounting year of the Fund is from 1 March to the last day of February.

**Article 6**  
**Unit Categories and Use of Earnings**

The Fund features three different unit categories and the corresponding certificates: dividend-bearing units, non-dividend-bearing units with capital gains tax withholding, and non-dividend-bearing units without capital gains tax withholding, with certificates being issued for one unit each and also for fractional units.

Various unit categories may be issued for this Fund. The creation of unit categories and the issue of units of a specific category shall be decided at the discretion of the Management Company.

**Use of earnings for dividend-bearing units**

The earnings generated during the accounting year (interest and dividends) less all costs can be distributed as deemed appropriate by the Management Company. Dividend disbursement may be omitted in the interests of the Unit-holders. Dividends may also be disbursed at the discretion of the Management Company from earnings generated by the sale of fund assets, including subscription rights. Disbursements of fund assets and interim dividends may be paid.

The fund assets may in no case fall below the legally stipulated minimum volume for termination as a result of dividend disbursements.

The amounts shall be paid to the holders of dividend-bearing units on or after 1 June of the following accounting year. The remaining amount shall be carried forward.

An amount calculated in accordance with the InvFG must also be paid out on or after 1 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 EStG at the time of payment.

**Use of earnings for non-dividend-bearing units with capital gains tax withholding**

The earnings generated by the Fund during the accounting year less all costs will not be paid out. In the case of non-dividend-bearing units, an amount calculated in accordance with the InvFG must be paid out on or after 1 June to cover the capital gains tax assessed by the tax authorities on the dividend-equivalent earnings from the fund units unless the Management Company provides suitable proof from the banks managing the corresponding securities accounts that the unit certificates can only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who meet the conditions for exemption from capital gains tax according to § 94 EStG at the time of payment.

**Use of earnings for non-dividend-bearing units without capital gains tax withholding (KESt-exempt non-dividend domestic and foreign unit category)**

The earnings generated by the Fund during the accounting year less all costs will not be paid out. No payment pursuant to the InvFG will be made. The reference date for the exemption from KESt payment for the profit for the year for the purposes of the InvFG shall be 1 June of the following accounting year.

The Management Company shall provide suitable proof from the banks managing the corresponding securities accounts that the unit certificates could only be held by Unit-holders who are not subject to Austrian personal income tax or corporation tax or who met the conditions for exemption from capital gains tax according to § 94 of the Austrian Income Tax Act (Einkommensteuergesetz) at the time of payment.

If these requirements are not met at the time of payment, the amount calculated pursuant to the InvFG must be paid out by the credit institution managing the respective securities account.

**Article 7**  
**Management Fee, Compensation for Expenses, Liquidation Fee**

Valid until 31 December 2019:

The Management Company shall receive an annual fee for its administrative activities of up to 1.8% of the fund assets, which shall be accrued on a daily basis and calculated using the month-end values adjusted for the accrued fees.

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## ERSTE RESPONSIBLE STOCK EUROPE

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Valid from 1 January 2020:

The Management Company shall receive an annual fee for its administrative activities amounting to up to 1.80% of the fund assets as calculated and accrued on the basis of the daily fund volume. The fee will be charged to the fund assets once per month.

The Management Company shall be entitled to compensation for all expenses incurred in the administration of the Fund.

The Management Company shall be entitled to apply a sliding management fee scale at its own discretion.

The costs for the introduction of new unit categories for existing investment funds shall be assessed against the unit price of the new unit categories.

Upon liquidation of the Fund, the party processing the liquidation shall receive a fee in the amount of 0.5% of the fund assets.

Further information and details about this Fund can be found in the prospectus.

**Annex to the Fund Rules**  
**List of exchanges with official trading and organised markets**  
**(As of September 2018)**

**1. Exchanges with official trading and organised markets in the Member States of the EEA as well as exchanges in European countries outside of the EEA considered to be equivalent to regulated markets**

Every Member State must maintain a current list of the authorised markets within its territory. This list must be submitted to the other Member States and the Commission.

According to this provision, the Commission is required to publish a list of the regulated markets registered with it by the Member States once per year.

Because of lower entry barriers and specialisation in different trading segments, the list of “regulated markets” is subject to significant changes. For this reason, the Commission will publish an up-to-date version of the list on its official website in addition to the annual publication of a list in the Official Journal of the European Union.

**1.1. The currently valid list of regulated markets can be found at**

[https://registers.esma.europa.eu/publication/searchRegister?core=esma\\_registers\\_upreg](https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_upreg) \*

**1.2. The following exchanges are included in the list of regulated markets:**

- |        |              |                                       |
|--------|--------------|---------------------------------------|
| 1.2.1  | Luxembourg:  | Euro MTF Luxembourg                   |
| 1.2.2. | Switzerland: | SIX Swiss Exchange AG, BX Swiss AG ** |

**1.3. Recognised markets in the EEA according to § 67 (2) 2 InvFG:**

Markets in the EEA that have been classified as recognised markets by the competent supervisory authorities.

**2. Exchanges in European countries outside of the EEA**

- |      |                         |   |
|------|-------------------------|---|
| 2.1. | Bosnia and Herzegovina: | Sarajevo, Banja Luka  |
| 2.2. | Montenegro:             | Podgorica   |
| 2.3. | Russia:                 | Moscow (RTS Stock Exchange)<br>Moscow Interbank Currency Exchange (MICEX) |
| 2.4. | Serbia:                 | Belgrade  |
| 2.5. | Turkey:                 | Istanbul (only “National Market” on the stock market)                     |

**3. Exchanges in non-European countries**

- |       |                       |  |
|-------|-----------------------|--|
| 3.1.  | Australia:            | Sydney, Hobart, Melbourne, Perth   |
| 3.2.  | Argentina:            | Buenos Aires   |
| 3.3.  | Brazil:               | Rio de Janeiro, Sao Paulo  |
| 3.4.  | Chile:                | Santiago   |
| 3.5.  | China:                | Shanghai Stock Exchange, Shenzhen Stock Exchange   |
| 3.6.  | Hong Kong:            | Hong Kong Stock Exchange   |
| 3.7.  | India:                | Mumbai   |
| 3.8.  | Indonesia:            | Jakarta  |
| 3.9.  | Israel:               | Tel Aviv   |
| 3.10. | Japan:                | Tokyo, Osaka, Nagoya, Kyoto, Fukuoka, Niigata, Sapporo, Hiroshima                                  |
| 3.11. | Canada:               | Toronto, Vancouver, Montreal   |
| 3.12. | Colombia:             | Bolsa de Valores de Colombia   |
| 3.13. | Korea:                | Korea Exchange (Seoul, Busan)  |
| 3.14. | Malaysia:             | Kuala Lumpur, Bursa Malaysia Berhad  |
| 3.15. | Mexico:               | Mexico City  |
| 3.16. | New Zealand:          | Wellington, Christchurch/Invercargill, Auckland  |
| 3.17. | Peru:                 | Bolsa de Valores de Lima   |
| 3.18. | Philippines:          | Manila   |
| 3.19. | Singapore:            | Singapore Stock Exchange   |
| 3.20. | South Africa:         | Johannesburg   |
| 3.21. | Taiwan:               | Taipei   |
| 3.22. | Thailand:             | Bangkok  |
| 3.23. | USA:                  | New York, NYCE American, New York Stock Exchange (NYSE), Philadelphia, Chicago, Boston, Cincinnati |
| 3.24. | Venezuela:            | Caracas  |
| 3.25. | United Arab Emirates: | Abu Dhabi Securities Exchange (ADX)  |

**4. Organised markets in countries outside of the European Community**

4.1.	Japan:	over the counter market
4.2.	Canada:	over the counter market
4.3.	Korea:	over the counter market
4.4.	Switzerland:	over the counter market of the members of the International Capital Market Association (ICMA), Zurich
4.5.	USA:	over the counter market (under the supervision of an authority such as the SEC, FINRA, etc.)

**5. Exchanges with futures and options markets**

5.1.	Argentina:	Bolsa de Comercio de Buenos Aires
5.2.	Australia:	Australian Options Market, Australian Securities Exchange (ASX)
5.3.	Brazil:	Bolsa Brasileira de Futuros, Bolsa de Mercadorias & Futuros, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
5.4.	Hong Kong:	Hong Kong Futures Exchange Ltd.
5.5.	Japan:	Osaka Securities Exchange, Tokyo International Financial Futures Exchange, Tokyo Stock Exchange
5.6.	Canada:	Montreal Exchange, Toronto Futures Exchange
5.7.	Korea:	Korea Exchange (KRX)
5.8.	Mexico:	Mercado Mexicano de Derivados
5.9.	New Zealand:	New Zealand Futures & Options Exchange
5.10.	Philippines:	Manila International Futures Exchange
5.11.	Singapore:	The Singapore Exchange Limited (SGX)
5.12.	Slovakia:	RM System Slovakia
5.13.	South Africa:	Johannesburg Stock Exchange (JSE), South African Futures Exchange (SAFEX)
5.14.	Switzerland:	EUREX
5.15.	Turkey:	TurkDEX
5.16.	USA:	NYSE American, Chicago Board Options Exchange, Chicago Board of Trade, Chicago Mercantile Exchange, Comex, FINEX, ICE Futures US, Inc., New York, Nasdaq PHLX, New York Stock Exchange, Boston Options Exchange (BOX)

\*) To open the list, select "Regulated market" under "Entity type" in the column on the left side of the page and then click "Search" (or "Show table columns" and "Update"). The link can be changed by the ESMA.

When the expected withdrawal of the United Kingdom of Great Britain and Northern Ireland (GB) from the EU takes effect, GB will lose its status as an EEA member state and, in turn, the exchanges/regulated markets located there will also lose their status as EEA exchanges/regulated markets. In this event, we hereby inform you that the following exchanges and regulated markets located in GB shall be considered exchanges or recognised regulated markets in a third country as defined by the InvFG 2011 and the UCITS Directive that are expressly designated in the Fund Rules: Cboe Europe Equities Regulated Market – Integrated Book Segment, London Metal Exchange, Cboe Europe Equities Regulated Market – Reference Price Book Segment, Cboe Europe Equities Regulated Market – Off-Book Segment, London Stock Exchange Regulated Market (derivatives), NEX Exchange Main Board (non-equity), London Stock Exchange Regulated Market, NEX Exchange Main Board (equity), Euronext London Regulated Market, ICE FUTURES EUROPE, ICE FUTURES EUROPE – AGRICULTURAL PRODUCTS DIVISION, ICE FUTURES EUROPE – FINANCIAL PRODUCTS DIVISION, ICE FUTURES EUROPE – EQUITY PRODUCTS DIVISION, and Gibraltar Stock Exchange.

\*\*\*) In the event that Switzerland's stock market equivalence expires, SIX Swiss Exchange AG and BX Swiss AG are to be subsumed under item 2 "Exchanges in European countries outside of the EEA" until further notice.

**Note regarding the data used**

The sections Income Statement and Changes in Fund Assets, Statement of Assets and Liabilities and Details and Explanation of Tax Treatment in this annual report were prepared on the basis of data from the depositary bank for the Fund.

**The data and information provided by the depositary bank were collected with the greatest possible care and were checked solely for plausibility.**

**Note for retail funds:**

Unless indicated otherwise, source: Erste Asset Management GmbH. Our languages of communication are German and English. The full prospectus and the key investor information (and any applicable changes to these documents) were published in Amtsblatt zur Wiener Zeitung in accordance with the provisions of the InvFG 2011 in the currently amended version and are available free of charge at the registered office of the Investment Firm and at the head office of the depositary bank. The exact date of most recent publication, the languages in which the key investor information is available, and any additional locations where the documents can be obtained can be viewed on the website [www.erste-am.at](http://www.erste-am.at).

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